

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 90-202-C - ORDER NO. 90-494 ✓

MAY 1, 1990

IN RE: Tariff Filing by Southern Bell	)	
Telephone & Telegraph Company to	)	ORDER
Establish a Tariff of Uniform	)	RULING ON
Rates for the Interconnection of	)	MOTION TO
Local Exchange Services with the	)	PRODUCE
Services of Cellular Mobile Carriers.)	)	

This matter comes before the Public Service Commission of South Carolina (the Commission) by way of separate Motions to Compel Production of Cost Data and alternatively to Produce filed on behalf of Centel Cellular (Centel) and Cellular Phone of Aiken-Augusta, Inc. (Cellular Phone), and MetroMobile CTS, Inc. (MetroMobile) (collectively referred to as "the cellular carriers") whereby the cellular carriers seek an order from the Commission requiring Southern Bell Telephone & Telegraph Company (Southern Bell) to produce certain cost data. The Motion to Produce filed by MetroMobile requested other information also. This order will deal only with the production of cost data. Southern Bell filed a Return to the Motions to Compel or Produce and a Motion to quash certain portions of MetroMobile's Motion.

This proceeding is one to consider the approval of a tariff filing by Southern Bell to establish the terms and conditions under which cellular carriers may interconnect with Southern Bell's landline telephone system. The parties filing the Motions to Compel or Produce are cellular carriers who intervened in this proceeding to protest Southern Bell's proposed tariff. This proceeding is a direct result of the Commission's Order in Docket No. 88-55-C, Order No. 89-866. Order No. 89-866 required the local exchange companies (LEC's) to develop and file interconnection tariffs on or before January 2, 1990. This proceeding concerns the tariff filed by Southern Bell in response to that Order.

Although Southern Bell contends that it is not required to file cost studies with its tariff, the Commission disagrees with Southern Bell's interpretation of Order No. 89-866. The language in question is as follows:

That the LEC's intending to develop a cost based, usage sensitive composite rate should commence to develop such with the input of the cellular carriers. The composite rate tariffs and underlying cost studies should be filed by the LEC's with the Commission on or before January 2, 1990.

Southern Bell states that its rates are based on the value of service principles and primarily reflect rates previously approved by the Commission for like services, as allowed by Order No. 89-866. Southern Bell contends that cost studies which support, the proposed rates for cellular interconnection are not required to be filed since it used value of service principles in its tariff pricing.

The Commission, in interpreting Order No. 89-866 and its directives, would disagree with Southern Bell's interpretation. Order No. 89-866, while recognizing the value of service principles, does require that the rates have a cost basis. In directing the local exchange companies to develop composite rates, the Commission indicated that the rate would be applicable for each local exchange company throughout its service area within the state and be uniformly applied to any cellular company seeking interconnection with a particular LEC. However, the Order recognized that the rates would be different for the respective LEC's to reflect the difference in cost to each company in providing these services. Order No. 89-866, pp. 16, 17. Order No. 89-866 also recognized that certain LEC's within the state charge rates that are not directly cost based. For those companies, the Commission allowed them to concur with a tariff submitted by one of the cost based LEC's. Id., p. 17.

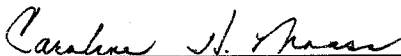
This clearly indicates that the rates should have a cost basis, while recognizing the value of service concept. This was further elucidated in the Commission's findings where it recognized that value of service has a "role" in the Commission's deliberations concerning the appropriate pricing of cellular interconnection. Id., p. 28. However, the Commission also determined that the rates derived by the local exchange company should reflect the LEC's cost plus an authorized return, and some

amount of contribution to support local exchange services. Id., p. 29. Therefore, reading the language of the Order as a whole, the Commission's finding that the "LEC's intending to develop a cost based, usage sensitive composite rate" means that the cost based companies, such as Southern Bell, having that cost information available to them should use cost as a basis in formulating its composite rate.

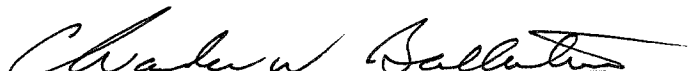
As filed in its Return, Southern Bell agreed to make available for inspection, certain information on cost that it did have available. The Commission has determined that Southern Bell should make this information available to the cellular carriers as outlined in its Return, as well as any other cost information relating to cellular interconnection that it has available to it and relied upon in formulating its proposed tariff rates.

IT IS SO ORDERED.

BY ORDER OF THE COMMISSION:

  
Chairman

ATTEST:

  
Executive Director

(SEAL)